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Market Development Reports

Food Business Line

Periodic Press Translations from ATO Tokyo

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Report Highlights: The labeling associated with the second phase of Japan's beef traceability law for domestic beef also finding its way to imported meat; *Carrefour SA* of France searching for buyers of its eight stores in Japan; *Mos Food Services Inc.*, considers offering beef traceability information for the New Zealand beef product it uses in its hamburgers; The 'third beer' beverage in Japan creates problems for the Japan Government's liquor tax; a Hokkaido cattle dealer caught switching ear tags and; The *California Table Grape Commission* works to get the Japanese consumer to appreciate the nutritional value of skin on grapes,

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Food Business Line

Periodic Press Translations from ATO Tokyo

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Retail/Wholesale

- *Daiei Corporation* starts selling Japan's first imported beef containing certification for "JAS production information" on November 17, hoping to revive consumers' trust in imported beef. For example, beef produced in Australia by *Nippon Meat Packers, Inc.* will have production records which can be traced back by the consumer on Nippon Meat Packers website. Prices will be 20 to 30 percent higher than other beef from Australia. (a 11/27)
- The *Aeon Group's Jusco Supermarket* stores will be using the certification for "JAS production information" on domestic pork sold at 39 locations beginning on December 9. This follows implementation of the second phase of the traceability law for domestic beef. (see [JA4094](#)). (a 12/9)
- The world's second-largest retailer, *Carrefour SA* of France, is considering leaving the Japanese market by selling all eight of its stores after four years of operation in Japan. *Carrefour* has already tapped *Wal-Mart Store,s Inc.* and several local supermarket chain operators, including *Aeon*, as possible buyers. (1 12/3)

Food Service

- According to the November sales results reported by *Yoshinoya D & C*, it showed a decline of 34.6% on a same-store basis compared to the same month last year. Their pork bowl campaign, which ended in October, attributed to a lower number of customers in November. (a 12/3)
- According to the *Japan Food Service Association*, the price for eating out paid by each customer in October increased by 4.6% compared to the same month last year. Consumers seem to select high quality menus and order an additional side dish item. The Food Service industry is expanding side dish menus and menus that offer particularly attractive ingredients. (a 12/7)
- *Mos Food Services Inc.*, a high quality hamburger chain, will start experimenting with the management of production history information for the beef at three stores in Tokyo. *Mos* uses beef from New Zealand for their hamburgers, which means that they are not liable for beef traceability law, but they believe that offering the traceability information will appeal to the consumers' demands for safety. (b 12/3)

Food Processing/New Products/Market Trends

- While discussions are ongoing in the Japan Government regarding recapturing lost revenues under the current structure of the liquor tax, major beer companies have been ready to either introduce new brands or revamp current main brands. In addition to beer, the other beverage categories are considered, including *happoshu* (low malt beverage) and the new lowest price

leader category or ‘beer-taste’ beverages, which may contain neither barley nor malt. Sometimes referred to as the ‘third beer’ in the industry, one such ‘beer taste’ beverage by *Sapporo Breweries, Ltd.*, uses a protein from peas procured from Canada or Belgium. Expectations are that all four major Japan breweries will have ‘beer taste’ beverage products on the market. For tax purposes, ‘beer taste’ beverages are considered neither beer or *happoshu*. (a 12/4)

Food Safety/Consumer Awareness

- A cattle dealer in Hokkaido region who replaced non-pedigree cattle ear tags with those for pedigree cattle was arrested for violating the Beef Traceability Law. (a 12/8)
- Bacteria contamination beyond the standard for tap water was found in bottled mineral water sold by *Daichi*, a food delivery company in Tokyo. (a 12/3)
- *MAFF* finished the guideline to promote introduction of traceability guidelines to the domestic poultry industry. (b 12/3)

ATO/Cooperator/Competitor Activities/Trade Shows

- *UK Food Association*’s trade mission to Japan supported by *UK Trade & Investment* (UKTI) visited Japan to find business partners to expand their market in Japan. The members of the trade mission included companies carrying organic processed foods; sauces and spices with no additives, preservatives or artificial colorings; soft drinks with no additives, preservatives or artificial sweetener; and alcohol beverages. (f 12/16)
- The *California Table Grape Commission* conducted a tasting seminar in Tokyo targeting working women to emphasize the health benefit and that they can receive from eating the whole grape without peeling off the skin. (f 12/16)
- *American Soybean Association* held the 20th American Soybean Quality Prospect Conference in Tokyo. U.S. soybean production and quality in 2004 and, Soybean Rust disease were was discussed. (f 12/2)

Sources

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|----------------------------------|---|
| (a) The Japan Economic Newspaper | (b) The Nikkei Marketing Journal |
| (c) The Japan Food Journal | (d) The Beverage & Food News Commentary |
| (e) The Japan Food News | (f) The Food Industry News |
| (g) Nihon Keizai Shimbun | |

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